

Office of the Attorney General and Reporter

**For the Years Ended
June 30, 1999, and June 30, 1998**

Arthur A. Hayes, Jr., CPA, JD, CFE

Director

Charles K. Bridges, CPA

Assistant Director

Scarlet Z. Sneed, CPA

Audit Manager

Mary C. Cole, CPA

In-Charge Auditor

Mark Hartman

Staff Auditor

Amy Brack

Editor



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

State Capitol
Nashville, Tennessee 37243-0260
(615) 741-2501

John G. Morgan
Comptroller

May 16, 2000

The Honorable Don Sundquist, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and

The Honorable E. Riley Anderson
Chief Justice of the Supreme Court
307 Supreme Court Building
Nashville, Tennessee 37243
and

The Honorable Paul G. Summers
Attorney General and Reporter
114 John Sevier Building
Nashville, Tennessee 37243

Ladies and Gentlemen:

We have conducted a financial and compliance audit of selected programs and activities of the Office of the Attorney General and Reporter for the years ended June 30, 1999, and June 30, 1998.

We conducted our audit in accordance with generally accepted government auditing standards. These standards require that we obtain an understanding of management controls relevant to the audit and that we design the audit to provide reasonable assurance of the Office of the Attorney General and Reporter's compliance with the provisions of policies, procedures, laws, and regulations significant to the audit. Management of the Office of the Attorney General and Reporter is responsible for establishing and maintaining internal control and for complying with applicable laws and regulations.

Our audit resulted in no audit findings. We have reported other less significant matters involving the office's internal controls to the Office of the Attorney General and Reporter's management in a separate letter.

Sincerely,

John G. Morgan
Comptroller of the Treasury

JGM/mb
99/071

State of Tennessee

Audit Highlights

Comptroller of the Treasury

Division of State Audit

Financial and Compliance Audit
Office of the Attorney General and Reporter
For the Years Ended June 30, 1999, and June 30, 1998

AUDIT SCOPE

We have audited the Office of the Attorney General and Reporter for the period July 1, 1997, through June 30, 1999. Our audit scope included a review of management's controls and compliance with policies, procedures, laws, and regulations in the areas of revenue, expenditures, equipment, payroll and personnel, and tax refund reviews. The audit was conducted in accordance with generally accepted government auditing standards.

AUDIT FINDINGS

The audit report contains no findings.

"Audit Highlights" is a summary of the audit report. To obtain the complete audit report which contains all findings, recommendations, and management comments, please contact

Comptroller of the Treasury, Division of State Audit
1500 James K. Polk Building, Nashville, TN 37243-0264
(615) 741-3697

Audit Report
Office of the Attorney General and Reporter
For the Years Ended June 30, 1999, and June 30, 1998

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Office of the Attorney General and Reporter For the Years Ended June 30, 1999, and June 30, 1998

INTRODUCTION

POST-AUDIT AUTHORITY

This is the report on the financial and compliance audit of the Office of the Attorney General and Reporter. The audit was conducted pursuant to Section 4-3-304, *Tennessee Code Annotated*, which authorizes the Department of Audit to “perform currently a post-audit of all accounts and other financial records of the state government, and of any department, institution, office, or agency thereof in accordance with generally accepted auditing standards and in accordance with such procedures as may be established by the comptroller.”

Section 8-4-109, *Tennessee Code Annotated*, authorizes the Comptroller of the Treasury to audit any books and records of any governmental entity that handles public funds when the Comptroller considers an audit to be necessary or appropriate.

BACKGROUND

The Attorney General and Reporter provides legal representation for the State of Tennessee. Through the exercise of his common law and statutory powers, the Attorney General oversees all civil litigation in which the State of Tennessee is interested, handles all appellate matters involving the state, and advises the General Assembly and all state constitutional officers and state officials. In addition, the Attorney General and Reporter carries out other duties and attends to other interests of the state as required by law and the public interest.

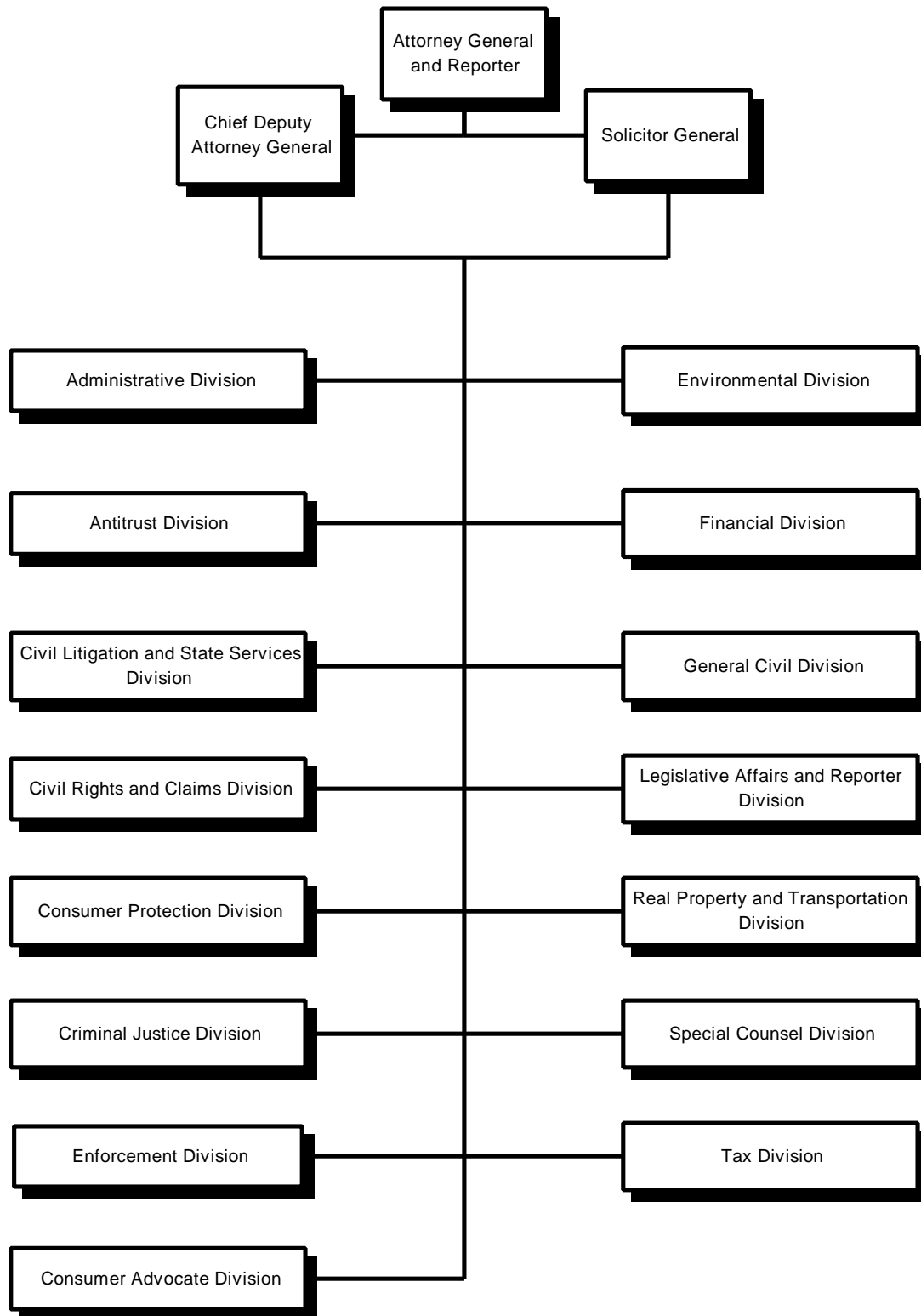
An organization chart of the office is on the following page.

AUDIT SCOPE

We have audited the Office of the Attorney General and Reporter for the period July 1, 1997, through June 30, 1999. Our audit scope included a review of management’s controls and compliance with policies, procedures, laws, and regulations in the areas of revenue, expenditures, equipment, payroll and personnel, and tax refund reviews. The audit was conducted in accordance with generally accepted government auditing standards.

Office of the Attorney General and Reporter

Organization Chart



OBJECTIVES, METHODOLOGIES, AND CONCLUSIONS

REVENUE

The objectives of our review of the controls and procedures for revenue were to determine whether

- revenue received was properly deposited in a timely manner and was properly recorded;
- revenue records reconciled to STARS;
- billings were for the correct amount and were properly supported and processed; and
- transfers of contingent revenue to earned revenue were made in a timely manner, consistent with court orders.

We interviewed key personnel to gain an understanding of the office's procedures and controls over revenue. We also tested nonstatistical samples of revenue. We had no findings related to revenue; however, other minor weaknesses came to our attention which have been reported to management in a separate letter.

EXPENDITURES

The objectives of our review of the controls and procedures for expenditures were to determine whether

- recorded expenditures were for goods or services that were properly authorized, supported, and processed;
- payments were made in a timely manner and for the proper amount;
- payments for contracts, travel, and cellular phones were made in accordance with applicable policies; and
- expenditure records reconciled to STARS.

We interviewed key personnel to gain an understanding of the office's procedures and controls over expenditures. We also tested nonstatistical samples of expenditures. We had no findings related to expenditures.

EQUIPMENT

The objectives of our review of the controls and procedures for equipment were to determine whether

- the property listing represented a complete and valid listing of the assets physically on hand;
- equipment purchased during the audit period had been correctly added to the property listing;
- the cost of sold, abandoned, damaged, obsolete, lost, or stolen equipment has been reported to the Comptroller of the Treasury and the equipment has been removed from the property listing; and
- equipment was adequately safeguarded.

We interviewed key personnel to gain an understanding of the office's procedures and controls over equipment. We also tested nonstatistical samples of equipment. We had no findings related to equipment.

PAYROLL AND PERSONNEL

The objectives of our review of payroll and personnel controls and procedures were to determine whether

- payroll disbursements were made only for work authorized and performed, and were supported by time records;
- gross pay and related deductions were adequately supported;
- employees who were hired and terminated during the audit period were properly paid; and
- leave was taken, accrued, and approved in accordance with office guidelines.

We interviewed key personnel to gain an understanding of the office's procedures and controls over payroll and personnel. We also tested a nonstatistical sample of payroll and personnel. We had no findings related to payroll and personnel.

TAX REFUND REVIEWS

The objective of our review of procedures governing tax refund reviews was to determine whether the office reviewed tax refund claims in a timely manner.

We interviewed key personnel to gain an understanding of the office's procedures and applicable laws that govern tax refunds. We also tested a nonstatistical sample of tax refund claims. We had no findings related to tax refund reviews; however, other minor weaknesses came to our attention which have been reported to management in a separate letter.

PRIOR AUDIT FINDINGS

There were no findings in the prior audit report.

APPENDIX

DIVISIONS AND ALLOTMENT CODES

Office of the Attorney General and Reporter divisions and allotment codes:

Attorney General and Reporter	303.01
Publication of Tennessee Reports	303.05
Special Litigation	303.08